

PAYMENT AGREEMENT

This Payment Agreement (this "Agreement") is entered into to be effective as of the Effective Date (as hereinafter defined) by and between PLAINVIEW INDEPENDENT SCHOOL DISTRICT (the "District"), a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code, and PLAINVIEW BIOENERGY, LLC (the "Taxpayer"), a Delaware limited liability company.

RECITALS

WHEREAS, the District and the Taxpayer entered into that certain Texas Economic Development Act Participation Agreement dated effective as of December 21, 2006 (the "Tax Limitation Agreement");

WHEREAS, the Taxpayer filed proceedings under Chapter 11 of the United States Bankruptcy Code on May 7, 2009 (the "Bankruptcy Proceeding");

WHEREAS, in connection with the Amended and Restated Texas Economic Development Act Participation Agreement executed contemporaneously with this Agreement (the "Amended Tax Limitation Agreement") attached hereto, the Taxpayer and the District desire to establish a plan for payment of the sum due to the District in respect of tax year 2009 pursuant to the revenue loss protection provisions under Article III of the Tax Limitation Agreement in the amount of \$699,426 (the "2009 Revenue Loss");

WHEREAS, the Taxpayer will pay 2008 taxes determined to be due to the District (the "2008 Taxes") pursuant to the terms of the confirmed *Third Amended Chapter 11 Plan of Reorganization for White Energy, Inc. and Its Affiliated Debtors Filed by the Debtors and WestLB AG, New York Branch, as Administrative Agent* (the "Plan") following the date the Plan becomes effective (the "Effective Date"); and

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Payment of 2009 Revenue Loss. Taxpayer shall pay the 2009 Revenue Loss as follows:

(a) An initial payment of the 2009 Revenue Loss in the amount of \$100,000.00 shall be due and payable on the Effective Date or soon as practicable thereafter

(b) The balance of the 2009 Revenue Loss, in the amount of \$599,426, shall be paid in annual payments to be due and payable beginning on June 15, 2011, and continuing thereafter on June 15 of each succeeding year through June 15, 2017 until paid in full, with the annual payments to be computed as follows:

- i. Taxpayer shall pay the District an amount equal to the lesser of: 1.) One Hundred Thousand Dollars (\$100,000); 2.) the portion of Taxpayer's net "tax benefit" as computed under Section 4.3(b) of the Amended Tax Limitation Agreement that remains, after all of any other payments to the District under the Amended Tax Limitation Agreement, or any amendment thereto, have been made (the "Net Tax Benefit"), or 3.) the remaining 2009 Revenue Loss;
- ii. On or before January 31, 2017, Taxpayer shall pay the District the lesser of 1.) the remaining balance of the 2009 Revenue Loss not paid in prior years under the immediately preceding Subsection (i), or 2.) the aggregate Net Tax Benefit received by the Taxpayer under the Amended Tax Limitation Agreement.

2. Agreement Regarding 2008 Taxes. The Taxpayer and the District acknowledge and agree that payment of the 2008 Taxes pursuant to the terms of the Plan shall be deemed to constitute payment in full of the 2008 Taxes as of the Effective Date for purposes of calculating credits due to the Taxpayer pursuant to the Amended Tax Limitation Agreement.

3. Default. Any default by Taxpayer in the payment of the 2009 Revenue Loss in accordance with the terms of this Agreement shall constitute a default under the Amended Tax Limitation Agreement.

4. Notices. All notices required to be sent under this Agreement shall be given in writing via certified mail, return receipt requested to the parties hereto in accordance with the notice provisions of the Amended Tax Limitation Agreement.

5. Amendments. No amendments to this Agreement shall be effective until the same are approved and accepted by the parties. This Agreement may be modified, amended, or terminated only by written mutual agreement of the District and the Taxpayer.

6. Assignment. This Agreement may be assigned only in connection with an assignment of the Amended Tax Limitation Agreement and only on the same terms for assignment set forth therein.

7. Entire Agreement. The parties agree that this Agreement and the Amended Tax Limitation Agreement contain all of the terms and conditions of the understanding of the parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the parties and others relating hereto are superseded by this Agreement.

8. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law rules that would direct the application of the laws of another jurisdiction.

9. Authority to Execute Agreement. Each of the parties listed below expressly

warrants that it has been expressly authorized to execute this Agreement for and on behalf of the respective parties.

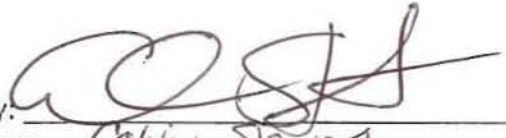
10. Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held to be invalid or unenforceable, then such invalidity or unenforceability shall not affect any other term or provision of this Agreement or the application thereof which can be given effect without the invalid or unenforceable provision, and the parties agree that the provisions of this Agreement are and shall be severable.

11. Execution of Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.


[Signature Page Follows This Page]

IN WITNESS WHEREOF, this Agreement has been executed by the District and the Taxpayer in duplicate originals on this 12th day of August 2010.


PLAINVIEW BIOENERGY, LLC

By: 
Name Calvin Stewart
Title CFO

PLAINVIEW INDEPENDENT SCHOOL DISTRICT

By: 
WES NARON
President
Board of Trustees

Attest

By: 
SYLVIA DELAGARZA
Secretary
Board of Trustees